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SUBJECT: FMLN CANDIDATE IDENTIFIES PROBLEMS, OFFERS FEW
SOLUTIONS

Classified By: The Ambassador, for reasons 1.4 (b) and (d).

¶1. (C) Summary: FMLN presidential candidate Mauricio Funes addressed the diplomatic corps June 4. He discussed his experience as a journalist, identified looming fiscal problems as a priority issue for the next government and reiterated his support for CAFTA-DR. He lamented persistent media comparisons of the FMLN with other left-wing parties in Latin America, saying he would have to govern based on the realities of El Salvador and complained of unfair treatment by the Salvadoran press. He accused current Salvadoran military officials of human rights violations during the civil war and called for these alleged violations to be investigated fully, not in order to prosecute, but to provide closure to victims and their families. In contrast, he said alleged FMLN-FARC ties were a "closed" issue, since these contacts took place in the past. He criticized foreign investment in the banking sector as serving only to enrich investors. Funes' short temper was on display when he was unable to articulate a plan to address the crisis of public transportation. His most specific response to the public security crisis was raising the number and pay of police officers. He said if elected, El Salvador would establish diplomatic ties with Beijing. End Summary.

¶2. (C) The San Salvador diplomatic corps invited Mauricio Funes, former TV journalist and FMLN presidential candidate, to a June 4 luncheon to hear his views on several topics related to his candidacy. Funes opened by discussing his experience as a TV journalist. He then pointed out that he was not currently a member of the FMLN but that he would join the party because the constitution requires that a candidate be a member of the party he or she represents. He noted that perceptions of the FMLN are influenced by prejudices held by voters and the media and that the FMLN is -- unfairly -- always compared to other governments of the left.

¶3. (C) Funes emphasized that if he is elected it will be important for government institutions to function. He said one of the by-products of 19 years of ARENA government is that Salvadoran government institutions have been weakened. Funes predicted serious fiscal problems for the next government, no matter who wins the election. He has met with the World Bank and his views have been informed by its analysis of El Salvador's fiscal situation. Funes said that if the right and the business community perceive that an FMLN government would negatively affect their business interests, this would send a message to foreign business interests that it would be imprudent to invest in El Salvador. The result, he said, would be disastrous. Funes said foreign investors need to know that "we are not constructing socialism in El Salvador."

¶4. (C) Funes identified poverty, social and economic marginalization and high crime rates as three important problems facing El Salvador, none of which are the result of socialist policies. Both sides, he said, need an understanding between them to address these problems

effectively.

15. (C) Funes said he was tired of media comparisons between the FMLN and other leftist governments in the region. He said that while the FMLN has an ideological affinity with these governments, an FMLN government would have to govern based on the realities of El Salvador. Funes said that during a recent trip to Berlin, Germany, at the invitation of the Social Democrats, he made contact with an important government, not just with the Social Democrats or with any particular party. According to Funes, he transmitted the message that an FMLN government would not negatively impact ongoing negotiations between Central America and the European Union and that all agreements with the EU and other countries are important, especially a free trade agreement with the EU.

16. (C) Funes then discussed Brazilian President Lula, and his desire for a close relationship with Brazil because Lula has demonstrated how to finance a range of social programs with internally generated funds. (Comment: Funes did not address El Salvador's relative lack of natural resources compared to Brazil. End Comment.) Funes then said his government would not nationalize anything and criticized what he called "crooked contracts" awarded by the Saca government. Funes made the point that he was the first FMLN candidate since the civil war to be ahead of the ARENA candidate in the polls. He said that poll results changed in 2007 when the FMLN selected an outsider (him) to be the party's presidential candidate.

17. (C) Funes spent considerable time complaining about unfair treatment at the hands of the Salvadoran media, and pointed out that he was no longer speaking to some of them. (Note: Following unfavorable coverage in May by Salvadoran daily El

Diario de Hoy, Funes has since refused to respond to questions from that paper's reports or answer questions from journalists accompanying EDH reporters.) Funes said he expected an uphill campaign battle and that his campaign had limited funds and did not enjoy the advantage of using government apparatus to assist in his campaign. (He did not address press reports of significant campaign funds from Venezuela.) Funes said he could not understand why President Saca continues to run campaign-style advertisements at government expense, even though Saca is no longer a candidate -- former National Civilian Police (PNC) Director Rodrigo Avila is. (Comment: We don't understand it, either.) Funes went on to say that the government recently spent \$45,000 to publish in all national newspapers Saca's entire address to the Legislative Assembly on the fourth anniversary of his term, but cannot fix broken elevators in the hospitals. Funes then noted Minister of Public Security and Justice Rene Figueroa's resignation as ARENA's Vice President for Ideology and from COENA (ARENA's executive committee) to commit himself full time to be a "dirty campaigner for Rodrigo Avila."

18. (C) Responding to a softball question on human rights from the Ecuadoran Ambassador, Funes accused current military officers of being major human rights violators in the civil war. Funes said that while the FMLN respected the peace accords amnesty, many of the worst human rights violations during the civil war had never been properly investigated. He said these violations should be fully investigated, not in order to prosecute the guilty, but to reveal the truth and bring closure to victims, families. Funes said the current government had assigned some of these military officers to various overseas assignments. While throwing accusations at Salvadoran military officials who were involved in the civil war fifteen years ago, Funes sought to convince assembled diplomats that the "current FMLN" has no connection with the FARC. He said it would be unfair to make that accusation since FMLN-FARC contacts took place a long time ago and that, as far as the FMLN is concerned, the issue of FMLN-FARC contacts is "closed." Funes reiterated that there was no real evidence linking the FMLN to the FARC and said he agreed with the American Ambassador that the FMLN does not want to be "friends of terrorists," either. (Note: Ambassador was

quoted in the Salvadoran press May 19 saying the U.S. considers the FARC to be a terrorist group and that any group that cooperates or collaborates with the FARC is no friend of the U.S.)

¶9. (C) In what appeared to be a veiled hope for an FMLN victory in the Legislative Assembly to accompany his own hoped-for win, Funes said that the Salvadoran Legislative Assembly in its current form is a hindrance to passing legislation that the country needs and must be changed when he takes office. He recalled that the last time that there was not an ARENA government in power (going back to Napoleon Duarte in the 80's), ARENA legislators opposed any initiative coming from the party in power.

¶10. (C) Funes said CAFTA-DR should not be a campaign issue. He pointed to foreign investment in the banking sector of El Salvador and said this was not the kind of foreign investment the country needed. This type of investment, he continued, while boosting the overall investment figures for El Salvador, only made a few people rich. (Note: Funes made no mention of the positive implications an efficient, integrated financial sector can have in a global market.)

¶11. (C) Funes' answers to questions from the diplomatic corps were disjointed and rambling, littered with non-sequiturs. Ambassador asked Funes how he would propose to solve the public transportation problem, with private bus owners and drivers operating with impunity and immunity. Funes answered that the public transportation problem was the fault of successive ARENA governments and that many of the bus companies in question are owned by members of the National Conciliation Party (PCN) which is an ally of ARENA in the Legislative Assembly. Ambassador thanked Funes for his analysis and repeated his question, asking what Funes would do to solve the problem. Funes became visibly annoyed at the repeated question. After five more minutes of comments that did not answer the question, highlighted by body language that indicated his irritation, he moved on.

¶12. (C) Responding to a question of what he would do differently to combat the public security problem in El Salvador, Funes said it was a difficult question to answer. He asserted (correctly) that private security costs amount to some 11 percent of GDP. He blamed part of the public security crisis on ARENA, alleging that party wants the crisis to continue because "businessmen associated with ARENA are profiting from the private security companies." He estimated there were 30,000 private security guards in the country, twice the number that make up the (PNC). (Note: The PNC has some 16,000 police.) He said solving the crime problem would be difficult and said the government must address the causes of crime, including prevention, rather than only focusing on the repression of criminals. He alleged there was corruption in the upper ranks of the PNC and said the lower ranks received miserable pay. Funes offered no immediate solution to the crime problem other than increasing the number of police and improving their salaries.

¶13. (C) Asked by the Dominican Ambassador about his statement that if elected, he would establish ties with the communist China government (PRC), Funes said he would do this in order to take advantage of the investment and employment opportunities presented by increased trade with China. He said that at the proper time this issue would be discussed with Taiwanese government representatives. (Note: El Salvador maintains diplomatic relations with Taiwan, not the PRC.)

¶14. (C) Comment: Funes has not given serious thought to formulate policy solutions to some of the main problems facing the country. He is unable to explain what he would do to solve the public transportation and public security problems facing El Salvador.

¶15. (C) Comment continued: Funes' short temper and thin skin were on display to the diplomatic corps. This, combined with his combative, hostile relationship with the Salvadoran press

poses a significant vulnerability to his campaign which ARENA
is sure to exploit.
GLAZER